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October 13, 2008

Philip Giudice, Commissioner Department of Energy Resources 100 Cambridge Street, Suite 1020 Boston, MA 02114

Re: Alternative Energy Portfolio Standard (APS) Regulations

Dear Commissioner Giudice:

Turbosteam, headquartered in Turners Falls, Massachusetts, appreciates the opportunity to submit comments regarding implementation of the Green Communities Act (Act). Turbosteam's mission is to profitably reduce greenhouse-gas emissions by converting waste energy into electric power. We applaud the Massachusetts Department of Energy Resources (DOER) efforts in implementing the Green Communities Act and for recognizing the important role of combined heat and power (CHP) in addressing climate change. These comments address two principal issues:

- First, we encourage the DOER to promulgate the same annual percentage rates for the Alternative Energy Portfolio Standard (APS) as the Legislature created for the Renewable Portfolio Standard (RPS).
- Second, the DOER regulations should address some confusion within the Act concerning the terms "combined heat and power" and "cogeneration."

More detail is provided on these comments below.

1. Promulgate annual percentage rates that encourage and incentivize deployment of alternative energy generation resources

In order to ensure the timely development of generation resources that qualify under the APS, the DOER needs to promulgate progressive incremental percentage requirements. The legislature delegated to the DOER authority to promulgate "a minimum percentage of kilowatt-hour sales to end-use customers in the commonwealth from alternative energy generating sources." A straightforward approach for promulgating the APS percentage requirement is for the DOER to mirror the percentage requirements the legislature set for the RPS. Annual percentage rates for the RPS are set out in the Act as one-half of 1 percent of retail electric sales each year until 2009 (2 years following promulgation of the standard) and an additional 1 percent of retail electric sales each year thereafter. By setting the same annual percentage rates for the APS that was

¹ 2008 Mass. Acts 169

created for the RPS the DOER will ensure timely development of alternative generating resources.

2. Provide clarity on the use of the term "combined heat and power"

The Green Communities Act defines "cogeneration" but not does provide a definition for "combined heat and power" (CHP), and the APS expressly includes CHP as a qualifying energy generation source. We encourage DOER to use the same definition for "combined heat and power," with the one addition noted below, as the law defines for "cogeneration." Our recommended addition would be for DOER to clarify that recycled energy generation, sometimes referred to as CHP's bottoming cycle, is within the definition of CHP and cogeneration. Recycled energy is a clean source of energy generation – capturing a waste product to generate heat or power – that does not require the burning of additional fossil fuels or the emissions of any additional pollution or greenhouse gases. Massachusetts manufacturers who deploy capital into CHP projects convert their presently wasted energy into heat and power immediately lower their energy costs and greenhouse-gas intensity, as well as increase their productivity. We recommend the DOER expressly include "recycled energy" within the definition of "combined heat and power" and "cogeneration" as a qualifying generating technology.

Turbosteam respectfully requests the DOER incorporate these comments in adopting Alternative Energy Portfolio Standard Regulations. We would be happy to work with your staff to provide more detail and background for any of the information outlined herein.

Please don't hesitate to contact me at 413-683-3500 x116 or bbullock@turbosteam.com.

Sincerely,

Bill Bullock
General Manager

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